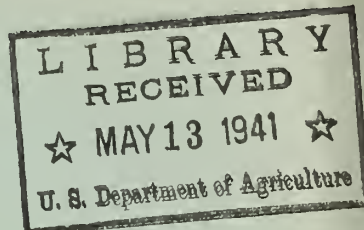


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UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Information

AND-26-41
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Part I - ~~STRICTLY CONFIDENTIAL~~

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AGRICULTURE AND NATIONAL DEFENSE

SUMMARY OF FOREIGN DEVELOPMENTS: GERMANY: It is reported in the German press and confirmed by an official of the Turkish Embassy in Berlin that an agreement supplementing the July 25, 1940 Turko-German trade agreement has been negotiated. Apparently the new agreement represents an extension of the existing treaty to groups of products which could not be taken into consideration in the restricted accord reached last summer. Indications are that Turkey will deliver under the new supplementary agreement a considerable quantity of tobacco, and such agricultural products as cattle, fodder, technical oil, skins and pelts. Germany in turn will deliver industrial products, especially chemical products, dyes, paper and paperwares.

UNITED KINGDOM: The Ministry of Food announces that no sugar for sweetening coffee, tea, or other drinks will be supplied restaurants, cafes, or catering concerns after June 2. Residents in hotels providing meals may obtain 5 ounces of sugar on a weekly ration coupon. The people have been advised to carry sugar needed for table use with them.

DENMARK: According to the April 19 census total hog numbers are 1,825,000 compared with 1,873,000 in March. No estimate is available for April 1940, but in March 1940 the figure was 3,066,000 head.

UNITED STATES DEPARTMENT OF AGRICULTURE
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Part II - FOR ADMINISTRATIVE USE

AGRICULTURE AND NATIONAL DEFENSE

RESULTS OF THE GOVERNMENT FOOD-FOR-DEFENSE PROGRAM are expected to become quickly apparent during the next few months. Abundant supplies of feed at relatively low prices favor increased production of pork, dairy, and poultry products, according to the Department of Agriculture's monthly round-up of the agricultural situation, prepared by the H.H.E. Prices, income, and costs of production are expected to average higher this year than last. Farmers are being urged by the Department to feed hogs to heavier weights and to increase breeding for fall litters. . .to increase milk production (for heavier manufacture of concentrated dairy products) through supplemental feeding during the pasture season. . .to expand poultry laying flocks and to feed for maximum egg production. . .to increase the marketings of cattle for slaughter. . .to increase the production of cannery tomatoes. The new production season is off to a good start on food and feed crops, new cotton and tobacco crops will be planted this month, and harvesting of a new winter wheat crop will soon be under way.

The USDA anticipates no general shortage of farm labor during this period. Another peak load of farm employment requirements will come later in the season when field crops generally are ready for harvest.

The Department expects that marketings of cattle for slaughter will be larger this year than last. Consumer demand for meats is increasing, and larger marketings now may net producers a larger income than a few years hence when marketings may become excessively heavy in relation to consumer buying power. Cattle are among the few farm commodities now selling above parity. . .Marketings of early lambs are fairly heavy now, the lambs are of better-than-average quality, and prices are higher than at this time last year.

THE DEPARTMENT OF AGRICULTURE HAS ANNOUNCED THAT 181 MILLION POUNDS OF PORK and lard have been purchased since April 3rd under the buying operations of the new food for defense program. Since the announcement of the food program on April 3 the average price of hogs at Chicago has advanced from about \$7.65 to approximately \$8.70, with the rise being somewhat more for heavy hogs than for light hogs. The immediate objectives of the program so far as pork is concerned are to secure a material increase in average weights of hogs marketed this summer and next fall and to encourage a large increase in the number of sows bred for farrow in the fall of 1941. Increased marketings of beef cattle also are recommended to meet part of the additional meat requirements resulting from greater needs for consumers in the United States and the lend-lease legislation to aid democracies abroad.

To stimulate feeding hogs to heavier weights this year, officials said the Department would work toward bringing the prices of heavy butcher hogs near \$9 Chicago basis at which level average hog prices will be supported by the food-for-defense program until June 30, 1943. This policy is now in effect and purchases by the Surplus Marketing Administration are now being limited to cuts from hogs weighing 240 pounds or more.

The need for immediate expansion in hog production is emphasized by the fact that these rising consumer requirements come at a time when hog numbers have been declining as a result of low prices and an unfavorable relation of hog and corn prices in 1940. Hogs have been selected as one of the commodities under the food expansion program also because they offer one of the most rapid means of converting feed supplies into concentrated foods needed for defense efforts. Many of the finished products can also be handled with a minimum of refrigeration and shipping space, both vital considerations in the present shipments abroad.

Reserves will be built up for Red Cross needs, school lunch programs, and other public aid distribution, as well as for Great Britain. To protect consumers, these supplies will also be available for distribution through regular market channels in event of unwarranted price increases. Hog specialists point out that the present favorable feeding ratio between hog and corn prices also encourages feeding to heavier weights at this time. In addition to increasing weights on hogs ordinarily marketed at 250 pounds or more, substantial increases of as much as 50 pounds can very profitably be made in many hogs normally going to market at 200 pounds or less. Most of the increase in hog production is expected to occur in the commercial corn-hog area of the middle west where corn supplies are also greatest. Substantial increases in other parts of the country are also expected. Producers are urged to make full use of present equipment with only such additions of inexpensive and temporary housing as may be justified under individual conditions.

A PROGRAM AIMED AT A 35 PERCENT EXPANSION OF ACREAGE OF DRY EDIBLE BEANS of the white varieties planted this season over the 1940 acreage, was announced this week by Secretary of Agriculture Claude R. Wickard. The increase is intended to assure adequate supplies and reserves to meet domestic commercial, school lunch, relief, and export requirements, as well as for shipments under the Lend-Lease Act and by the American Red Cross.

To provide farmers with an incentive for increasing their acreage, the Department of Agriculture plans to support the market for the following three types of white beans: Pea and Medium White, Great Northern, and Small White. The Department will make its purchases of new-crop beans insofar as practicable from the production of farmers cooperating in the AAA program. The operations will be directed at supporting the market for the above types of beans produced by such cooperating producers on an Eastern seaboard basis at an average price level of approximately \$5 a cwt., until about May 1, 1942. Some variation in prices will be necessary to reflect differences in transportation rates from point of purchase which range from 20 cents to \$1 per cwt., and to allow for differences in grade and supply and price situations which may develop. Continued purchases of both white and colored varieties of dry edible beans will be made as needed. Growers who take part in this program and increase their acreage of the desired varieties of white beans will not incur any deductions from their AAA payments because of so doing.

THE SOIL CONSERVATION SERVICE HAS MADE AVAILABLE TO THE ARMY FIVE TRACTS OF LAND, totaling 25,000 acres, in connection with its activities for national defense. Transfer of two other tracts--one to the War Department and the other to a State college for CAA pilot training--are now pending. Latest transfer included 640 acres within the Northwest Louisiana Project, Webster and Claiborne Counties, La., which on April 8, 1941, Secretary Wickard authorized the War Department to use for a bombing range for so long as needed in the defense program. This land will be turned back to SCS when the emergency is over.

1. The first part of the report deals with the general situation of the country and the progress of the work during the year. It also mentions the results of the various expeditions and the collections made.

2. The second part of the report describes the various expeditions and the collections made. It mentions the names of the expedition leaders and the names of the collectors. It also mentions the dates of the expeditions and the places where the collections were made.

3. The third part of the report describes the various collections made. It mentions the names of the collectors and the names of the species. It also mentions the dates of the collections and the places where the collections were made.

4. The fourth part of the report describes the various collections made. It mentions the names of the collectors and the names of the species. It also mentions the dates of the collections and the places where the collections were made.

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Four other tracts have been transferred permanently to the War Department. These transfers include 6,372 acres in Clinton County, New York; 7,451 acres in Jefferson County, New York; 9,448 acres in Monroe County, Wisconsin; and 1,000 acres in Muskogee County, Oklahoma. The Oklahoma land will be used as a rifle range while the other three areas will serve as extensions to present military camps.

Negotiations are now in process for the transfer of 9,000 acres in Lanier and Lowndes Counties, Georgia, which the Army may use as an air base. Consideration is also being given to the transfer or lease of approximately 300 acres within the Crab Orchard Project in Williamson and Jackson Counties, Illinois, to the Southern Illinois State Normal University for an airport where students may train under direction of the CAA. The SCS has also arranged for the use of land within the Pea River Project in Dale and Coffee Counties, Alabama, by the National Guard of that State.

SUMMARY OF FOREIGN DEVELOPMENTS: UNITED KINGDOM: The cotton yarn and cloth business during recent weeks has been at almost a complete standstill. Producers generally find it impossible to make quotations in the face of uncertainty surrounding future raw cotton and yarn supplies and the issuance of export permits. With aggregate output declining steadily production in the near future may be confined to (1) Essential Government requirements, (2) highly selective export trade, and (3) bare minimum requirements of domestic market. Concentration of production in the spinning section is about half completed. The process may be completed by July 1. Some progress is reported in concentration of the weaving section.

ITALY: In a recent discussion of the Italian Budget estimates, the Italian Minister of Foreign Trade and Exchange referred to the "New Economic Order," the "milestones" of which, he said, were determined in conferences held last October with the German Minister of Economy. He envisaged continuance of the closest co-operation in commerce between Italy and Germany, a common tariff policy, a common price policy, and extension of the clearing system to all European countries within the respective zones of influence of Italy and Germany. The Axis Powers, he pointed out, would lend their collaboration to the other European countries for developing productions having a complementary character. Those countries, he emphasized, would have an opportunity to attain greater economic potentiality, provided they adjusted their economies and finances to the predominating common needs and did not promote branches of economy having purely casual advantage.

Referring to the blocking of credits by the United States, the Minister said that the threat of applying this system to Italy and Germany was more to be feared by the Americans than by the Italians and their Allies since large counterbalancing items were not lacking which could be taken as a guarantee. In other reference to the United States, he envisaged a troublesome export problem for the latter in coming years "since Europe, which is following with keen attention the American attitude regarding the present conflict, will regulate its future commercial policy so as to favor particularly the revival of trade currents with friendly countries." He pointed out that after the War all non-European countries would try to resume trade with Europe, offering raw materials and foodstuffs for manufactured goods. He stated that it would then be for the Axis to choose from the most worthy and to impose its own conditions of buying and selling on the others.

DENMARK: Wheat has withstood the winter better than was expected. It will not be necessary to resow more than 5 percent of the area. Rye seems to have withstood the winter normally, but the winter severity affected adversely clover, lupin, and fodder beets which were sown in the late summer of 1940 for seed. It is

anticipated that the acreage sown to wheat and potatoes this summer will increase 5 to 10 percent, sugar beets 10 percent, and rye 10 to 15 percent. The increase in sugar beet acreage, however, may not be attained. No change is expected in the acreage sown to barley and oats. It is reported that fruit trees withstood the winter well, though they have not yet blossomed. The production of apples should be one of the largest on record. All sowing activities were delayed by the late spring until April 20. Weather conditions at present are good and if favorable conditions remain through June, Denmark's domestic requirements should be met amply from the 1941 grain crops.

ARGENTINA: A 160,000,000 Argentine peso credit proposal (\$47,637,000) has been formulated, apparently by the Spanish Government, and is intended for the re-funding of various purchases by Spain of products from Argentina. The proposal has not progressed thus far beyond the conversation stage and the question of satisfactory guarantees is the chief difficulty. Spanish payments have heretofore been guaranteed through setting aside a portion of the remittances which Spanish utilities in Argentina have ordinarily been required to send to Spain, or through earmarking of the peseta debt service of Argentina.

The recent Argentine-Spanish agreement, which the Central Bank is about to sign on behalf of Argentina, involves the former type of guarantee. There is also an agreement between the Spanish American Electricity Company and the Spanish Government with regard to certain payments which as a result of the Spanish Civil War have been in arrears. The Argentine branch of this company (the C.H.A.D.E.) under the terms of this agreement is to pay direct to the Central Bank of Argentina in five equal annual installments the sum of 35,000,000 pesos (\$10,421,000) to cover 3,000 tons (6,613,000 pounds) of frozen meat and 380,000 tons (13,962,000 bushels) of wheat, which are to be shipped to the Spanish Government. The price of the wheat was fixed in this operation at 6.375 pesos per 100 kilograms (51.66 cents per bushel) on freight car at the Port of Buenos Aires. Wool exports during the week ended Thursday, May 1, amounted to 6,450 bales, of which 5,996 were exported to the United States. The market situation remains unchanged. There is a good demand for the small remaining lots of fine and fine crossbred wools but the market is quiet for coarse and second clip wools.

URUGUAY: The Montevideo wool market remained firm throughout April with prices rising during the final week. It is estimated that 8,000 bales of inferior wool are left for sale. Exports to date have totaled 104,000 bales of which 92,000 bales went to the United States. It is estimated that an additional 10,000 bales are sold but are awaiting shipment.

CANADA: The Bacon Board has announced that it will pay packers an extra \$1.00 per hundred pounds for all products put into cure for export from hogs purchased on and after May 2, 1941. Whether the extra cost will be borne by Great Britain or by Canada has not been announced as yet.

CHINA: The price of rice in Shanghai has risen sharply and is prohibitive for the poor. Stocks in the city, however, are ample, being estimated at 130,000 tons (four or five months' normal supply). Shipments continue to arrive in considerable quantities but they either augment hoarders' stocks or are trans-shipped to other points in China where prices are even higher than in Shanghai. Rice dealers attribute the recent sharp rise in prices to (1) Rumors that no further large shipments of rice will arrive in Shanghai after the first of May; (2) abolition by the Municipal Council on April 28 of price control (control had

been ineffectual for some time but its abolition has apparently encouraged speculators); and (3) lack of confidence in the Council's scheme, announced April 24, to import rice from Hong Kong and to make it available to the public at lowest possible prices. Meanwhile labor unrest and suffering is increasing in scope and intensity.

JAPAN: Reports indicate that the Japanese Ministry of Commerce is considering the chartering of special freighters to facilitate the importation of Brazilian cotton which is procurable in large quantities at a low price.

1. The first part of the paper discusses the importance of the study and the objectives of the research.

2. The second part of the paper describes the methodology used in the study and the data collection process.